

Kentucky Agricultural Development Board

Meeting Minutes

July 19, 2000

The first official meeting of the Kentucky Agricultural Development Board was held on Wednesday, July 19, at 8:30 a.m., in room 110 of the Research and Education Center at the University of Kentucky Agricultural Experiment Station in Princeton. Commissioner Billy Ray Smith, Vice Chair, called the meeting to order, and the secretary called the roll.

Members Present:

Governor Paul E. Patton, Chairman; Commissioner Billy Ray Smith, Vice Chair; John-Mark Hack, Executive Director; Daniel Case; Larry Clay; Seth Conner; Susan Harkins; Wayne Hunt; Keith Jeffries; Sam Lawson; Dean C. Oran Little; Sam Moore; Willa Poynter; Eddie Sellers; Mike Slaughter; and Secretary Gene Strong, represented by J.R. Wilhite.

Others Present:

Mark Farrow and Doug Thomas, KY Department of Agriculture; Sara Dryden; Burley Tobacco Growers Coop; Sharon Burton, The Farmer's Pride; Tony Sholar Kentucky Chamber of Commerce; David Sparrow and Will Snell, University of Kentucky College of Agriculture; Biff Baker, Brad Wellons, and Karen Hilborn Crabtree, Legislative Research Commission; Tom Rogers, WAVJ; Jared R. Nelson, Caldwell County Times-Leader; Jim Wallace Bright Life Farms; and Lisa Thomas and Ben Gramig, Governor's Office of Agricultural Policy.

Introduction of Board Members:

Governor Patton was delayed because of severe weather. In his absence Commissioner Smith called the meeting to order and the members introduced themselves.

University of Kentucky Agricultural Experiment Station:

Dean Little gave a history of the University's Agricultural Experiment Station. He offered to give the members a windshield tour of the farm after the meeting, and extended an invitation to the members to attend the events planned for the evening and the Field Day scheduled for the next day.

UK County Extension Service:

Dean Little briefed the members on the status of the County Council appointments. He advised that most counties have appointed at least six Council members and are in the process of appointing the two young farmers. Many counties have all eight members in place. UK Extension Service is developing a web page where County Council members can obtain information. Extension will keep the site updated, and post any pertinent information received from the Kentucky Agricultural Development Board (ADB) and sharing of information and/or ideas between the County Councils.

Administrative Issues:

Governor Patton called the members' attention to a handout entitled *Governor's Office of Agricultural Policy (GOAP) Office Development. He explained that because of the broad scope of this program, staffing must be increased.

The Governor advised that he intended to recommend that John-Mark Hack be appointed Executive Director of the ADB and that Mr. Hack's salary would be paid from the Governor's Office Budget with no cost to the ADB.

He explained that it was his opinion that the farmers and general public must be kept well informed of the actions of the ADB, that basic press releases would not be effective enough, that a Public Information/Communications Officer would be a necessary part of the Governor's Office of Agricultural Policy staff.

Governor Patton stated that the development of farmer owned and operated cooperatives were imperative in order to build a strong farm economy. Because of the tobacco program, there is no precedent in rapid development support infrastructure for coops in the state. He advised that hiring a Cooperative Development Specialist to help organize the coops and an Economist to analyze the feasibility of the proposed coops should be considered important components in building an effective office staff.

Finally Governor Patton recommended the addition of two secretaries to support the additional staff.

There was discussion of the proposal. It was suggested that the members be provided with monthly expenditure statements. Governor Patton advised that he would direct the Department of Finance to compose a monthly report for ADB members.

There was a motion and a second that the Board appoint John-Mark Hack as Executive Director. The motion passed unanimously.

There was a motion and second to approve the proposed administrative budget. The motion passed unanimously.

MSA Disbursement of Funds:

Next the members reviewed the handout entitled *MSA Phase I, Calculations Over the Biennium.

The Rural Development Bond Fund allocates \$68,000,000 to be distributed at the Board's discretion. It was suggested that criteria for an application for County Councils be developed that incorporated a one-to-one matching funds contribution from the applicant for Purchase of Development Rights (PDR) programs. John-Mark Hack asked the members to refer to the handout entitled *Rural Development Bond Fund, General Criteria for Use of Funds in Purchase of Development Rights Programs.

The question was raised if for some reason the MSA money were to stop coming in to the state how would the bond debt be paid. The Governor said that the state is backing the bond and would absorb any related losses.

The criteria for PDR programs soliciting financial support from the Rural Development Bond Fund were discussed. John-Mark Hack stated that the Board could develop criteria for other programs later. He then asked for approval of the basic criteria, so that the Governor's Office of Agricultural Policy staff could develop an application process.

There was discussion of the proposed criteria. A question was raised as to how the proposed criteria were developed. John-Mark Hack advised that it was developed from a 1998 law currently on the books and portions based on existing farmland preservation programs such as the American Farmland Trust.

It was suggested that the criteria require that tobacco quota loss on the land receiving the PDR funding be considered as one potential variable. Governor Patton expressed concern about the Board getting too far toward micro-managing. Counties could submit their plans to the Board and the entire plan could either be approved or not.

Dean Little requested that copies of the threatened farmland criteria of the American Farmland Trust be distributed to members.

There was a motion and second to approve the initial criteria. The motion passed unanimously.

County Agricultural Development Councils:

Many of the members stated that it was important to get some type of document to the County Agricultural Development Councils (CADC). CADC members have expressed concern that they have not received direction from the ADB.

John-Mark Hack referred the members to the handout entitled *County Agricultural Development Council – Planning Framework. He stated that this document would be a tool for the county councils to use in developing their county plans. It would assure that the ADB would receive county plans in a uniform manner.

Governor Patton stated that this was a very complex document and that the members needed time to study it before considering a vote. He also asked that the information contained in the document be forwarded to the CADC for their review and that it could be considered at the next meeting.

The Kentucky Center for Agricultural Entrepreneurship:

John-Mark Hack discussed the handout entitled *The Kentucky Center for Agricultural Entrepreneurship. He advised that this information was distributed for review only. The Governor's Commission on Family Farms will submit a presentation to the ADB at the August meeting and a more developed proposal at a later date.

Statutory Committees:

Governor Patton asked that at least four ADB members and three other individuals with expertise in that area sit on these committees. He asked that the members select three committees that they would like to serve on and list them in order of preference. Committee assignments will be made and mailed to members.

Programs:

Governor Patton asked the members to be thinking about the types of programs that they'd like to see funded. Small committees will be established to develop detailed plans for these programs. The following suggestions were made: aquaculture; value added grain; forage; tobacco; use of tobacco in biotechnology; fruit and vegetable products; pork; increasing the quality and marketing of hay; farmer education; beef cattle; dairy cattle; and cooperatives of all types.

Governor Patton stated that he'd also like to see the development of "Kentucky" branded products. He asked that the members give this serious consideration and prepare to discuss and develop this idea at length.

Other Business:

The members asked that meeting materials be distributed to them for review at least one week prior to the meeting. Governor Patton advised that GOAP staff would utilize all means of communication, mail, telephone, email, and fax to keep the members apprised of all developments.

The next meeting of the ADB will be held on August 24, in conjunction with the Kentucky State Fair. Exact meeting time and place will be determined in the near future.

Being no further business the meeting adjourned at 11:15.

*All materials distributed at the meeting are on file in the ADB meeting folder in the Governor's Office of Agricultural Policy.